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Chief Executive Officer

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April 1, 2011

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To: Mayor Michael D. Antonovich
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From: William T Fujioka
Chief Executive Officer

A handwritten signature in black ink, appearing to read "WTF", followed by a stylized flourish.

SACRAMENTO UPDATE

This memorandum contains a pursuit of County position on legislation regarding the CalWORKs and CalFresh Programs.

Pursuit of County Position on Legislation

AB 6 (Fuentes), as introduced on December 6, 2010, would: 1) eliminate the Statewide Fingerprint Imaging System (SFIS) used for the CalWORKs and CalFresh Programs; 2) repeal the quarterly reporting requirements for CalWORKs and require semi-annual reporting; 3) require the State Department of Social Services to develop and implement a utility assistance initiative for CalFresh recipients; and 4) make other conforming changes.

Existing law requires the County to utilize SFIS to fingerprint all adult household members as a condition of eligibility for CalWORKs and CalFresh to verify eligibility and prevent multiple aid enrollments in these and General Assistance programs. Failure to comply with this requirement makes the household ineligible for aid. In addition, existing law also requires an annual re-determination of eligibility for benefits and the use of quarterly reporting for CalWORKs and CalFresh to determine eligibility and benefit amounts. There is no requirement under current law for the establishment of a utility assistance initiative for participants in these programs.

"To Enrich Lives Through Effective And Caring Service"

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According to the Department of Public Social Services (DPSS), the proposed utility assistance initiative in AB 6 would provide a Low Income Home Energy Assistance Program (LIHEAP) benefit to CalFresh participants which could help lead to greater self-sufficiency. However, although the semi-annual reporting could simplify the administration of CalWORKs and CalFresh, DPSS has concerns that it may not result in savings based on past experience when the State moved from monthly reporting to quarterly reporting.

The above provisions of AB 6 are consistent with existing County policy to: 1) support proposals to assist low-income and elderly households with energy assistance; 2) support proposals that would increase access to funding under the LIHEAP in Los Angeles County; and 3) support options to simplify the administration of public assistance programs such as CalWORKs, Medi-Cal and Food Stamps, including seeking any necessary Federal waivers.

However, DPSS indicates that the provision in AB 6 eliminating SFIS would cause the County to lose the most effective tool in deterring and detecting multiple-case fraud and would increase grant costs. The County implemented SFIS in 2000 and the system has been effective in eliminating duplicate aid fraud, payments to incorrect payees due to fraud or administrative error, and has proven to be a deterrent to other types of fraud. In addition to serving as a fraud deterrent, DPSS indicates that SFIS increases confidence in the integrity of the welfare system which results in public support for assistance programs.

Furthermore, according to DPSS, the cost of SFIS is offset by the savings associated with avoiding fraudulent grants. Relative to the total value of benefits issued statewide, DPSS indicates that the State's annual cost to maintain SFIS is a modest \$0.37 for every \$100 of CalWORKs grants. Compared to other forms of fraud deterrence systems, DPSS states that SFIS is very cost effective and if it is eliminated, will expose the County and State to significant cost increases as a result of potential fraud. Maintaining SFIS for CalWORKs and General Relief is essential to maintain program integrity.

The Department of Public Social Services and this office recommend that the County oppose AB 6, unless amended to retain SFIS requirements for applicants who apply or receive cash assistance. Opposition to AB 6 is consistent with existing policy to support efforts to fund and maintain SFIS for the CalWORKs and General Relief Programs. It is also consistent with the County's prior position to oppose eliminating SFIS as was proposed in 2009 and 2010 by the Budget Conference Committee. **Therefore, the Sacramento advocates will oppose AB 6 unless amended as indicated above and**

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will work with the author's office to secure necessary revisions to address the County's concerns.

AB 6 is sponsored by the California Food Policy Advocates. There is no registered support or opposition to this measure at this time. The measure is set for a hearing on Tuesday, April 5, 2011 in the Assembly Human Services Committee.

We will continue to keep you advised.

WTF:RA
MR:GA:sb

c: All Department Heads
Legislative Strategist
Local 721
Coalition of County Unions
California Contract Cities Association
Independent Cities Association
League of California Cities
City Managers Associations
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